



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: October 4, 2004

THE WEEK AHEAD

Fundamentals of Title IV Training: On October 4-8, FSA representatives will be conducting Fundamentals of Title IV Training at the Chicago Regional Training Facility.

R2T4, Analyzing Data, and Conflicting Information (RAC): On October 5, FSA representatives will be conducting RAC Training at the New York and Atlanta Regional Training Facilities.

Idaho Association of Student Financial Aid Administrators (IASFAA): On October 4-6, FSA representatives will be making presentations at the IASFAA Conference in Idaho Falls.

Colorado Association of Student Financial Aid Administrators (CASFAA): On October 6-8, FSA representatives will be making presentations at the CASFAA Conference in Vail.

National Scholarship Search Fair: On October 7-8, FSA representatives will be attending the National Scholarship Search Fair in New Orleans.

FSA IN THE FIELD

Fundamentals of Title IV Training: On September 27, FSA representatives conducted Fundamentals of Title IV Training at the Atlanta Regional Training Facility.

R2T4, Analyzing Data, and Conflicting Information (RAC) Training: Last week, FSA representatives conducted RAC training sessions at Spokane Community College and the Chicago and Philadelphia Regional Training Facilities.

National Scholarship Service (NSS) College Fairs: During the week of September 25 – October 1, FSA representatives participated in NSS College Fairs in Houston, TX, Richmond, VA, Washington, DC and Baltimore, MD reaching over 2400 students. In all, NSS and the National Association of College Admissions Counselors will host several events across the country reaching over 100,000 students.

OPERATIONAL METRICS

Application Activities through September 27, 2004: The Central Processing System (CPS) has processed 11.3 million FAFSA applications for the 2004-05 cycle, a 3.1% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending September 25, annual Pell Grant disbursements reached \$3.2 billion for the 2004-2005 academic year, a 17% increase over last year. Through the week ending September 25, annual Direct Loan disbursements reached \$3.8 billion for the 2004-2005 academic year, a 9% increase over last year. Through the week ending September 28, annual FFEL disbursements reached \$5.6 billion for the 2004-2005 academic year, a 23% increase over last year. Through August, annual Direct Consolidation Loan disbursements reached \$6.9 billion.

Direct Loan (DL) Servicing: As of August 31, the Direct Loan Portfolio reached 17.5 million loans (a 4.0% increase over last year) with a total value of \$83.3 billion (a 4.8% increase over last year) representing 6.4 million borrowers (a 4.8% increase over last year).

Direct Loan Delinquency Summary: The Direct Loan portfolio delinquency rate for August 2004 rose to 12.16% from 11.93% in July. The delinquency rate for August 2003 was 11.80 percent.

Consolidation Activity through August 31, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled \$3.70 billion, a 16% increase over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 3.30 billion, a 1.5% increase over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$7.8 billion, an 11.5% increase over last year.

Total Default Recoveries: Through the September 24, total FSA Default Recoveries for FY04 reached \$1.789 billion, an increase of 12% from this time last year. Total non-consolidation recoveries reached \$1.585 billion, an increase of 21%. Combined Recoveries from our private collection agency efforts have reached \$1.225 billion, up 20% over the same period in FY03.

Guarantor Recoveries: Through the end of August, total Guarantor Default Recoveries for FY04 reached \$3.52 billion, a .2% decrease% from this time last year. Combined ED and guarantor recoveries reached \$5.20 billion, a 4% increase over last year. Total non-consolidation recoveries for ED and guarantors combined reached \$3.278 billion, an increase of 11% over last year.

1-800-4-FED-AID through September 25, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 6.3 million calls, an 11% decrease over last year. Service levels have increased with 99.2% of calls completed, a .2% increase over last year. The average speed to answer decreased by 36.7% over last year to 5.7 seconds.

Direct Loan Servicing Call Center Phone Activity through September 24, 2004: Year to date, the Direct Loan Servicing Centers received 4.7 million calls to the Interactive Voice

Response System, a decrease of 4.5% from 2003. Of those calls received, Borrower Services representatives handled 3.3 million calls, a decrease of 6.3% from 2003. The average speed of answer was 5.8 seconds, a decrease of 11.0% from 2003. The resolve rate for the Voice Response System was 29.3%, an increase of 5.2% from 2003. The Abandoned Call Rate was 0.26%, an increase of 5.0% from 2003.

Students.gov: In August, students.gov logged 262,791 visitors representing 6.5 million hits, an average of over 8,400 hits each day. Almost 60% of the users came from the AOL domain and 3% came from international locations. As of September 27, almost 16,000 people had subscribed to Students.gov "InfoSource", a subscription service that highlights the features of students.gov.

Student Aid on the Web: For the week ending September 25th, *Student Aid on the Web* received 246,508 visits, 4,839,600 hits and 500,761 page views representing increases of 13.8 %, 35.6%, and 29% respectively over the same period last year.

On September 25th, the 50,000th MyFSA account was established with new accounts being registered at an average rate of more than 900 per week. This popular feature of *Student Aid on the Web* allows students and parents to establish their own personal password protected accounts for use as they move through the financial aid life cycle. Information entered in their personal profile can be saved and used to electronically pre-populate much of the FAFSA application and make application for admission to college. As of September 25th, 4,557 students have submitted their FAFSA applications and 1,272 have applied for admission to college using the transfer module and the data entered in their MyFSA accounts.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending September 25, www.ifap.ed.gov received 61,410 visits representing 1.8 million hits, a decrease of 7% over last year.

Schools Portal Usage: For the week ending September 18, www.fsa4schools.ed.gov received 13,402 visits representing almost 1.1 million hits, an increase of 15% over last year.

Customer Service Call Center Activity: For the week ending September 18, the Customer Service Call Center received 383 inquiries and posted 3 documents to IFAP.

KEY ISSUES

Update on Common Services for Borrowers (CSB) Transition: Implementation of the new CSB data mart will occur on October 1, replacing both the current Credit Management Data Mart (CMDM) and the Direct Loan Delinquency Data Mart. The new data mart will eventually include the default portfolio as well. In addition, the CSB Common Data Repository (CDR) is scheduled to be implemented the weekend of November 21.

Private Collection Agency (PCA) Procurement: On Thursday, September 30, FSA awarded five contracts to small businesses. Those companies are: Account Control Technology, Canoga Park, CA; Collection Technology Inc., Burbank, CA; Continental Service Group, Fairport, NY; Financial Management Systems, Bethesda, MD; and Premier Credit, Indianapolis, IN. The

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remaining awards have been delayed. FSA awarded these PCA task orders as part of our enterprise-wide default collection strategy. The total procurement will save millions of dollars over the existing contracts and results in increased recoveries.

FSA COACH for Foreign Schools: FSA notified foreign schools participating in the FFEL program that the first edition of FSA COACH (Computer-based Orientation to Aid Concepts and How-tos) for Foreign Schools 2004-2005 is now available on the Web at www.ed.gov/fsacoach/foreignschools. This eight module, 23-lesson course is a special edition of the COACH online training course designed specifically for staff at foreign schools.

ON THE HORIZON

Electronic Access Conferences (EAC): On November 1 - 4 and November 30 – December 3, FSA will host approximately 4,000 financial aid professionals from across the country at FSA's two EAC's in Orlando and Las Vegas.

Presentations at Conferences: FSA representatives will be making presentations at the following state financial aid and higher education conferences in the coming weeks:

October 14	Alabama Association of Student Financial Aid Administrators (AASFAA)
October 20-22	Washington Financial Aid Administrators (WFAA)
October 27-28	National Association for College Admissions Counselors (NACAC)

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.